



E-ALERT

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New Federal Contract and Notice Requirements Go Into Effect on June 21

By Ben Mathis & Marty Heller

The Federal Register has posted the final rule regarding Executive Order 13496. This Executive Order requires that, beginning on June 21, all contractors and subcontractors who work on a contract with a federal agency must post a notice to employees of their rights under the National Labor Relations Act (NLRA). In addition, all contracts and subcontracts on projects with federal agencies must include a clause in their contract regarding Executive Order 13496.

The regulation applies only to contracts resulting from solicitations issued after the effective date of the final rule and federally funded grants and loans are not covered; only contracts with federal agencies, or subcontracts under a contract with a federal agency are covered by the rule.

The rule itself requires that all private employers post a 11" by 17" poster which explains in detail employee rights under the NLRA. This poster must be posted conspicuously throughout the workplace in all areas where employee notices are usually posted, and in areas where employees may perform work which will contribute to the covered contract. If a significant portion of the employer's workforce does not speak English, the poster must also be translated into another language. A translation for Spanish and Mandarin language speakers will be available soon on the Office of Labor Management Standards (OLMS) website. If employers need posters in other languages, upon request, the OLMS will provide translated posters in other languages.

In addition, all employers must post the notice on their website or other online posting forum by posting a link to the poster. This link must be posted in the same manner as all other links on the page, and cannot be smaller than other links or somehow given less importance. The electronic posting requirement is in addition to the poster requirement.

The OFCCP will handle compliance evaluation, which will include investigation of employee complaints, and random compliance reviews. If the OFCCP finds a violation, employers may seek conciliation, however, violations may lead to serious sanctions, including suspension or termination of current and future

federal contracting privileges.

The rule will not apply to prime contracts worth less than \$100,000 or subcontracts worth less than \$10,000.

Information about the contract clauses that must be included in contracts and subcontracts, and a copy of the poster are available at:
<http://www.dol.gov/olms/regs/compliance/EO13496.htm>.

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